



TEXAS GENERAL LAND OFFICE JERRY PATTERSON, COMMISSIONER

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PRESS RELEASE

Patterson challenges Denton frack ban in court

Lawsuit filed by 8 a.m. seeking permanent injunction against unconstitutional law

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AUSTIN — Texas Land Commissioner Jerry Patterson wasted no time in challenging an unconstitutional ban on hydraulic fracturing approved by Denton voters Tuesday. By 7:51 a.m. Wednesday, attorneys for Patterson had filed a lawsuit in Travis County courts seeking a permanent injunction against the “arbitrary, capricious and unreasonable” prohibition.

“This ban on hydraulic fracturing is not constitutional and it won’t stand,” Patterson said. “If it were allowed to be enforced it would hurt the schoolchildren of Texas, who earn hundreds of millions of dollars a year on oil and gas production on Permanent School Fund lands.”

Patterson argues that the prohibition is in violation of Article I, Section 16 of the Texas Constitution, because it prohibits him from performing his duties. Patterson is constitutionally charged with the solemn fiduciary obligation to maximize revenues from leasing public school lands. See *Coastal Oil and Gas Corp. v. Garza Energy Trust*, 268 S.W.3d 1, 34 (Tex. 2008); *Rutherford Oil Corp. v. General Land Office of State of Tex.*, 776 S.W.2d 232, 235 (Tex. App.—Austin 1989, no writ). Also, according to Texas law, no home-rule ordinance shall contain any provision inconsistent with the general laws enacted by the Legislature of this State. TEX. CONST. art. XI § 5. Therefore, Patterson argues that the prohibition may not be enforced against lands or mineral interests owned by the State of Texas, including lands or mineral interests owned by the State of Texas for which GLO is the lessor. Finally, Patterson states that the Prohibition is Preempted by State law.

Patterson filed the lawsuit in defense of the state’s mineral interests. The General Land Office deposited a record \$1.2 billion into the state’s \$37.7 billion Permanent School Fund for fiscal year 2014. These record earnings are in large part due to the revolution in hydraulic fracturing technologies, which has private companies competing to outbid each other for access to Permanent School Fund lands that previously were of marginal value. Lease rental income on Permanent School Fund land was up more than 653 percent in 2014, and lease bonus income rose by 86 percent over 2013.

“The law is clear, the Railroad Commission regulates oil and gas in Texas, not local municipalities,” Patterson said.

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